

Chapter 1



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Objective of the course:

Comprehensive and able to conduct the simulation of tour business



OVERVIEW

Tourism Evolution



Early Travel

Early man was **nomadic** and by definition his lifestyle involved travel. Generally his wandering was confined to a clearly identifiable area, typically that in which he could hunt for the animal which form a major part of his diet. However, it does not involve a return to home so *it can not be characterized as tourism.*

The notion of pilgrimage as tourism may appear strange at the first sight.

League of Nations in 1937 made the official definitions as “People travelling abroad for periods of over 24 hours.”

History of Tourism



The word *travel* is related to the French word *travail*, which means “*work*.”

Throughout history, the growth of tourism has relied upon the development of transportation systems to reduce the work involved with traveling.

History of Tourism



The wheel was invented around 3,000 B.C.

The Egyptians advanced travel by building the first water vessels around 2,000 B.C.

Tourism began as an outgrowth of travel during the Greek and Roman Empires, beginning in the 5th century B.C.

History of Tourism



Travel by missionaries and priests increased after the fall of the Roman Empire in the 5th century A.D.

During the Renaissance period of the 14th, 15th, and 16th centuries, innovative ocean exploration took place.

On land, the *grand tour* became popular for the aristocracy.

History of Tourism



The Industrial Revolution of the 1700s led to rail service.

In the 1900s, mass production of the automobile and the construction of superhighways made more destinations accessible to more travelers.

The Wright brothers' experiment with the first airplane launched today's modern air-travel system.

Basic Concept

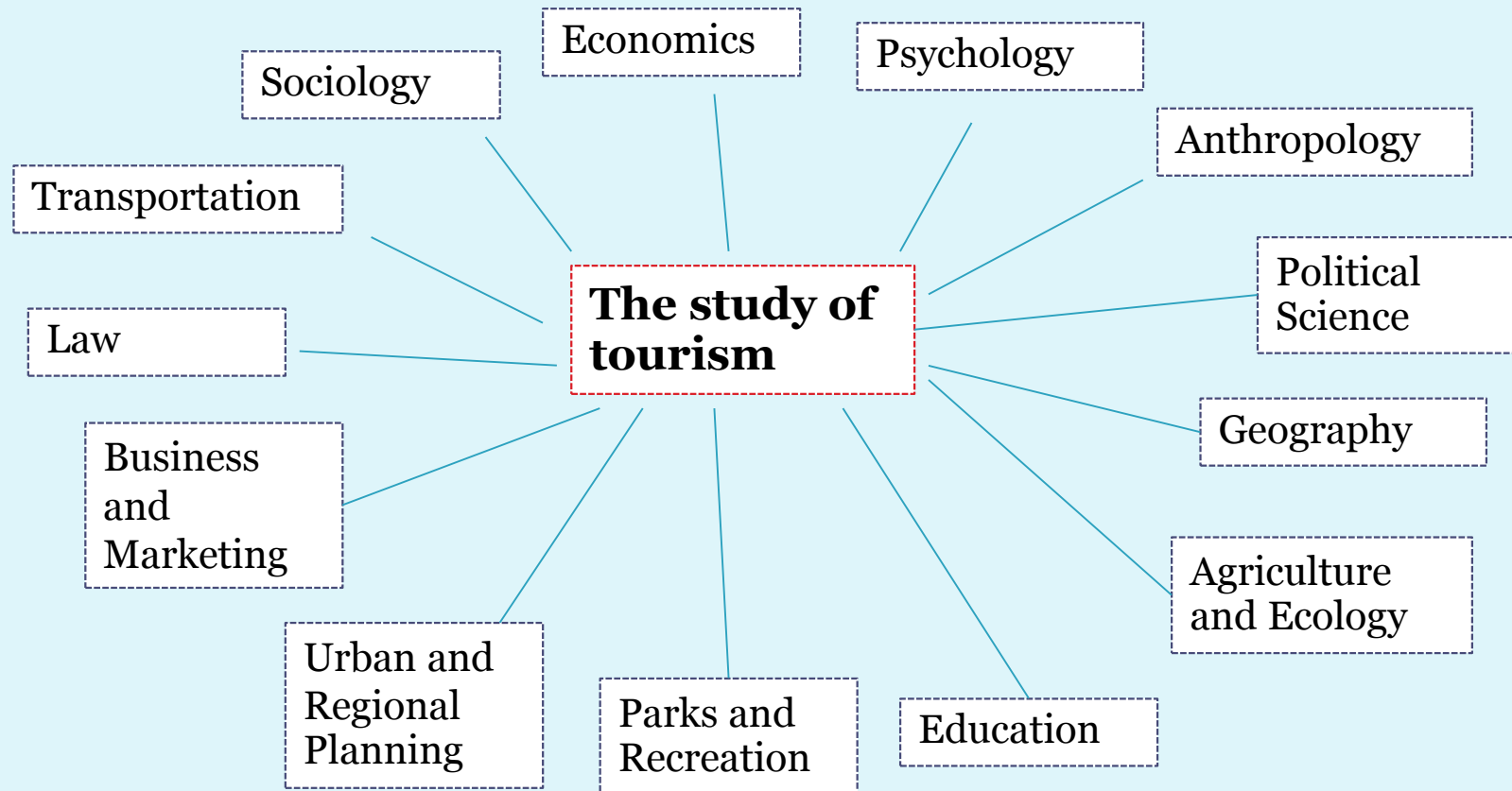


Definition



Tourism: the activities of persons travelling to and staying in the places outside their usual environment for not more than one consecutive year for leisure, business or other purposes. By WTO

Jafar Jafari's tourism clock



3 mains impact from tourism



- Economic impact –is expected to be “ good”
 - Tourism create job for local people
 - Benefit to another business
- Sociocultural impact-is generally thought of as “bad”
- Environmental impact-is generally “ bad”

Tour business management



- Creative
- Vision
 - Marketing
 - Advertising and PR

Tourism business entrepreneur need to consider;



- Sale promotion
 - Service
 - Pricing
- Etc.,

Tourism Infrastructure



- Basic infrastructure- such as telecommunication system, transportation.
- High infrastructure- Facilities such as accommodation, restaurant, services etc.,

Type of tourism



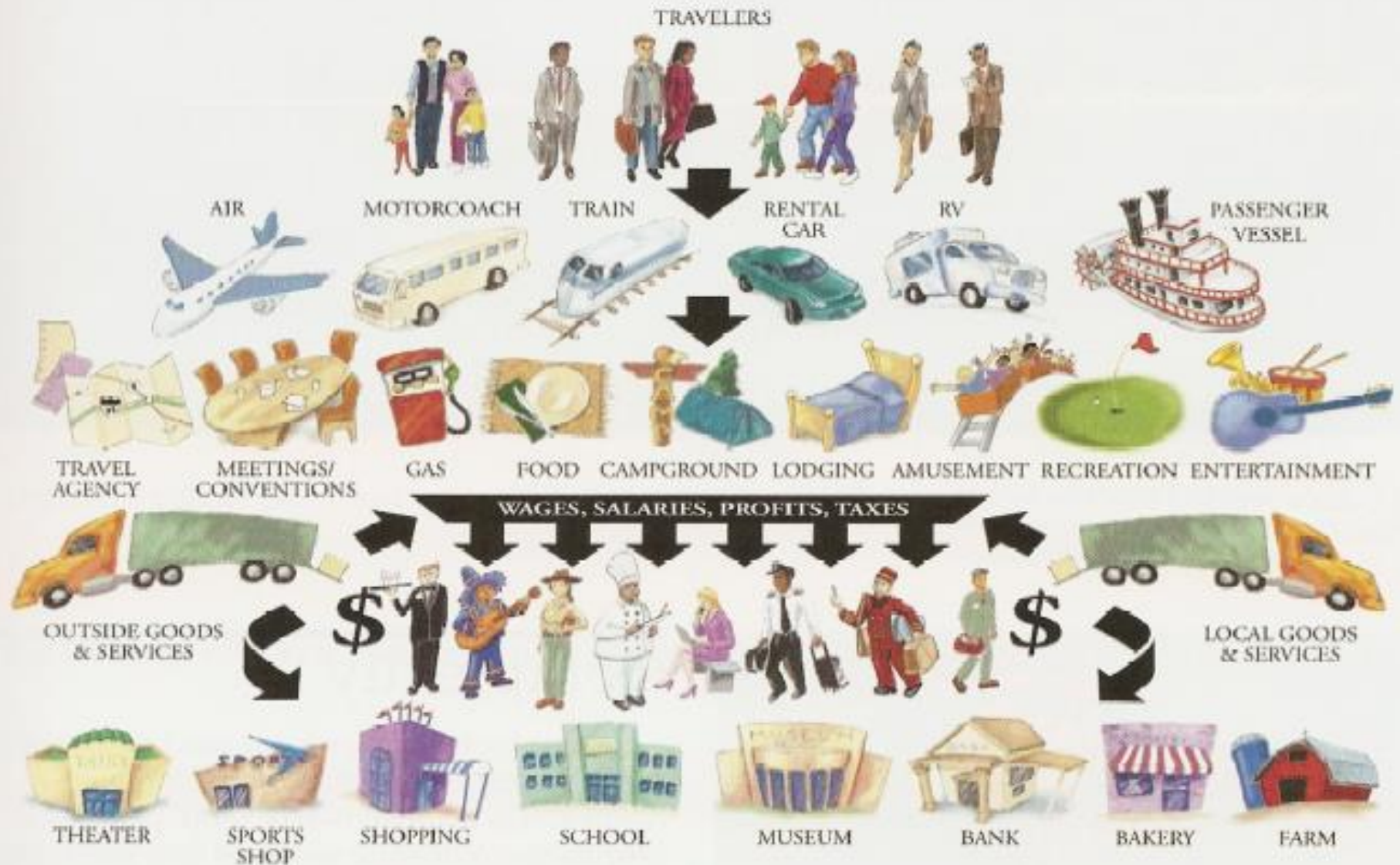
- Domestic tourism
- International tourism
- Volunteer tourism
- Sustainable tourism
 - Natural base Tourism
 - Cultural based Tourism
 - Health Tourism

Tourism in Thailand?



- Thailand's overall travel and tourism economy employed an estimated 4,110,000 people in 2007 or one in every 8.9 jobs (11.3%), and this is forecast to reach 4,767,000 (11.8%) by 2017.
- Tourism and hospitality contributed 6.7% (567 billion baht) to the country's gross domestic product (GDP) in 2007
- will continue at this rate for the next 10 years to reach 1,256.4 billion baht in nominal terms by 2017, according to the World Travel and Tourism Council's (WTTC) 2007 Tourism Satellite Accounting study.

HOW TOURISM DOLLARS ARE SPENT



Travel Industry Association of America



“Hospitality and tourism encompass more than 15 related businesses.”

- Tourist attraction
- Transportation
- Lodging
- Food and Entertainment
- Tour business, Tour guide
- Souvenir

- ✕ Element of tourism industry
- ✕ Integration between lodging , food and transportation
- ✕ Generate income to other business

Trends in Hospitality & Tourism



Categories of trends in hospitality and tourism are:

- Safety
- **Diversity**
- Ecology
 - **Ecotourism**
- Markets
 - **Market segments**
- Convenience

diversity ethnic variety as well as socioeconomic and gender variety in a group or society

ecotourism a branch of tourism encompassing adventure tourism and sustainable development of regions for future generations

market segments groups of consumers categorized by specific characteristics to create a target market

Distribution channels



3 key players in distributing tourism and hospitality products include :-

- a) Consumers
- b) Suppliers
- c) Intermediaries

Three types of travelers



- 1) Dependables
- 2) Venturers
- 3) Centrics

Three types of travellers



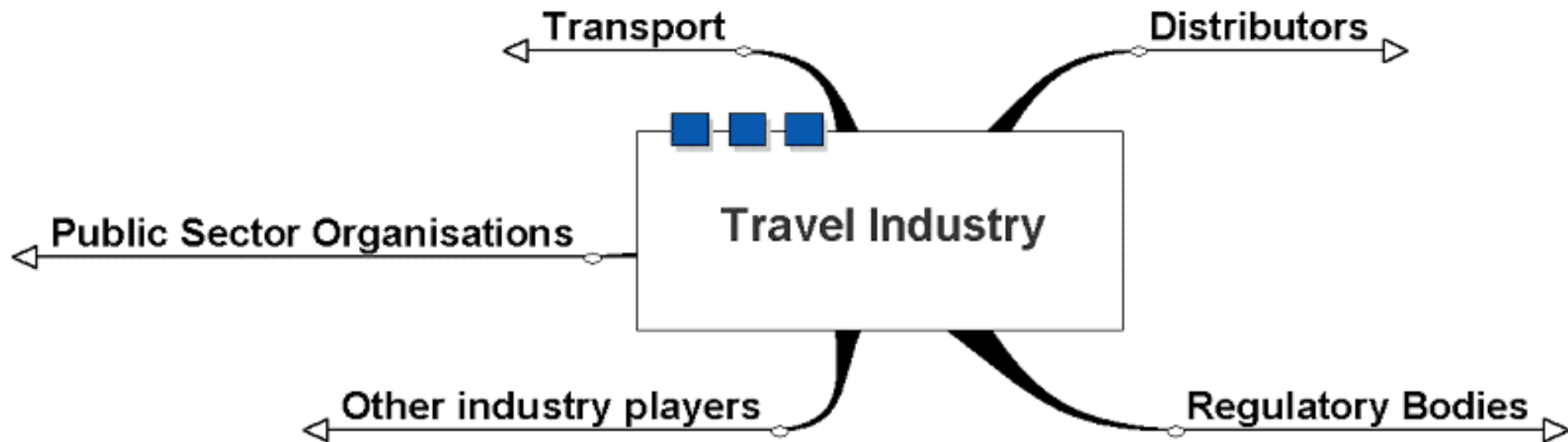
- 1) Dependables :- Prefer predictable routine lives and avoid unusual things or challenging situations
- 2) Venturers :- bolder people, different and challenging things and love to travel to unusual, exotic places

Three types of travellers

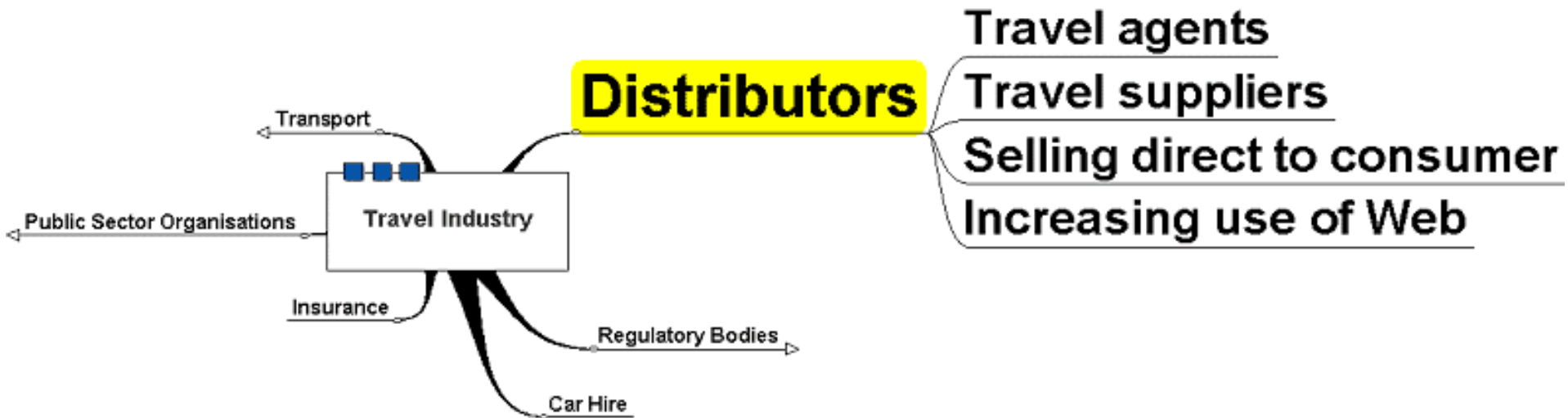


- 3) Centrics :- psychological middle ground between dependables and venturers, little adventure in their lives but not too much

Travel Industry



Distributors



Distributors

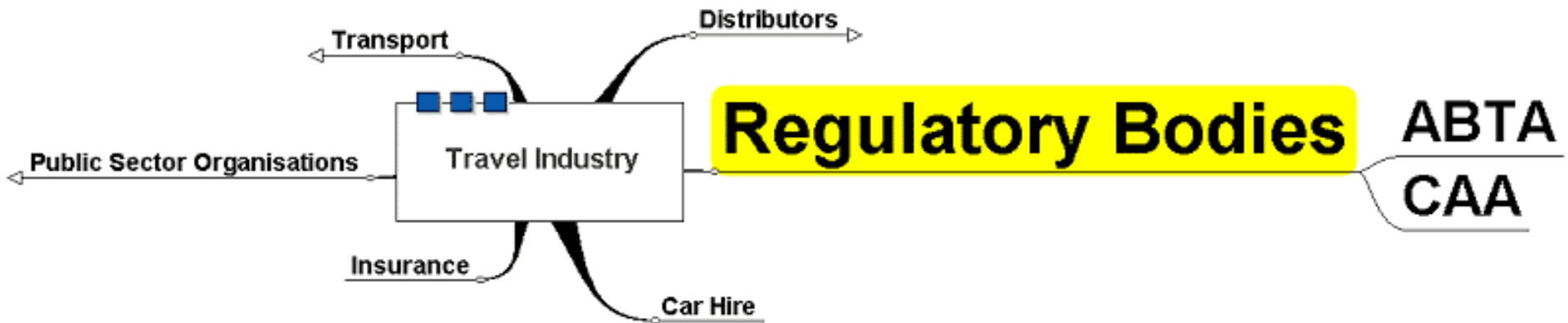


The people, groups or firms that deliver the products and services of travel to consumers.

These include:

- travel agents (business and leisure)
- travel operators selling direct to the consumer
- firms selling on the Internet
- call centres handling customer service

Regulatory Bodies



Regulatory Bodies



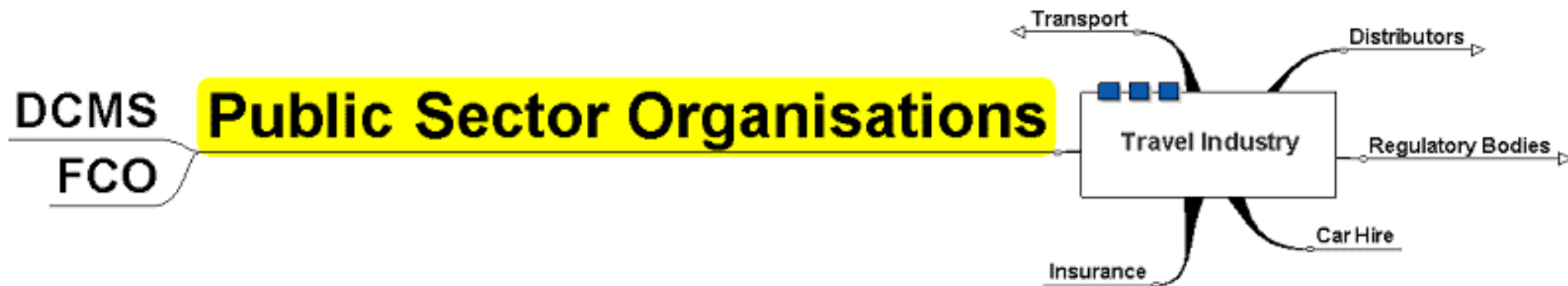
Organisations set up to oversee the industry, either:

- Trade associations

or

- Statutory bodies such as the CAA (Civil Aviation Authority)

Public Sector Organisations



Public Sector Organisations



Government departments with responsibility for the industry:

- Department for Transport (DfT)
- Department for Culture, Media & Sport (DCMS)
- Foreign and Commonwealth Office (FCO)

Transport



Road

Air

Sea

Rail

Transport

Travel Industry

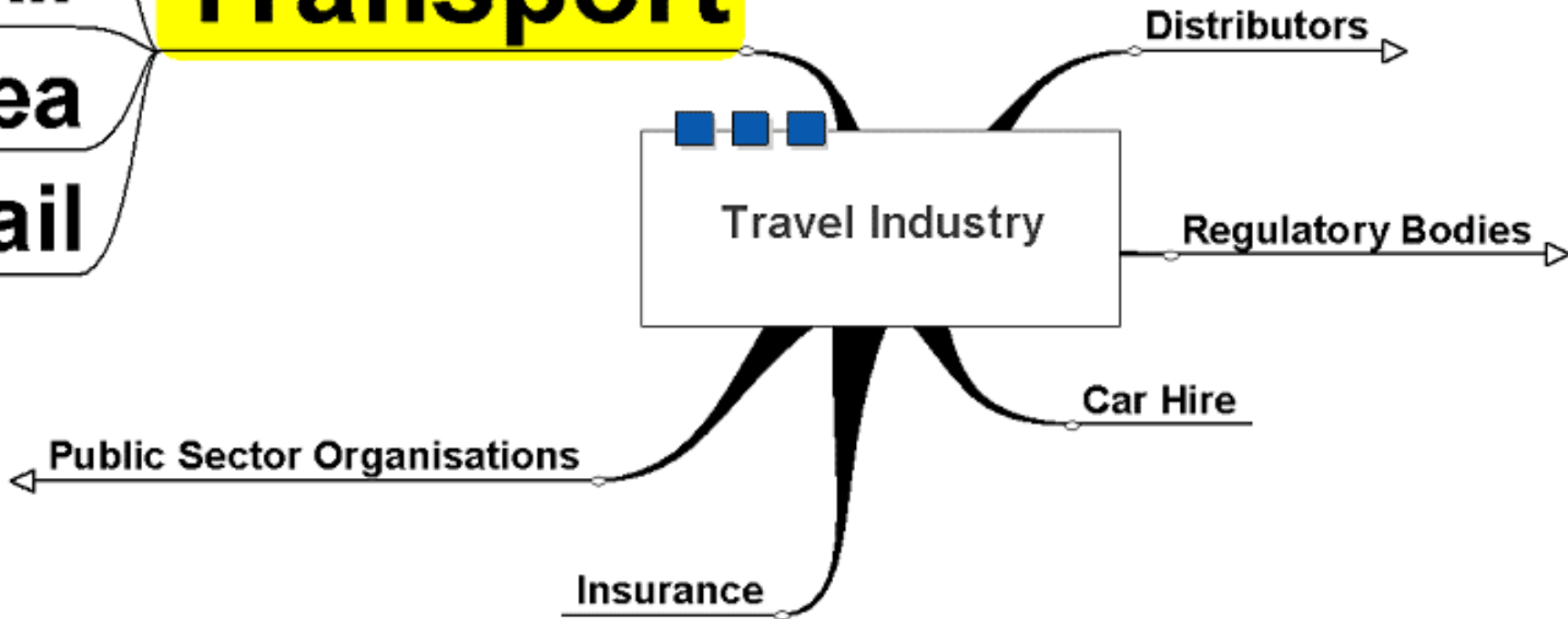
Distributors

Regulatory Bodies

Car Hire

Public Sector Organisations

Insurance



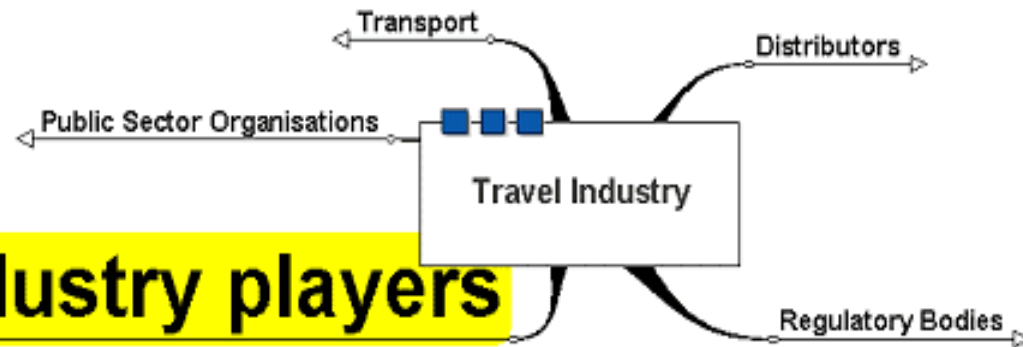
Transport



Delivery of travel products and services by:

- Road
- Air
- Sea
- Rail

Other Industry Players



Car Hire

Other industry players

Insurance firms

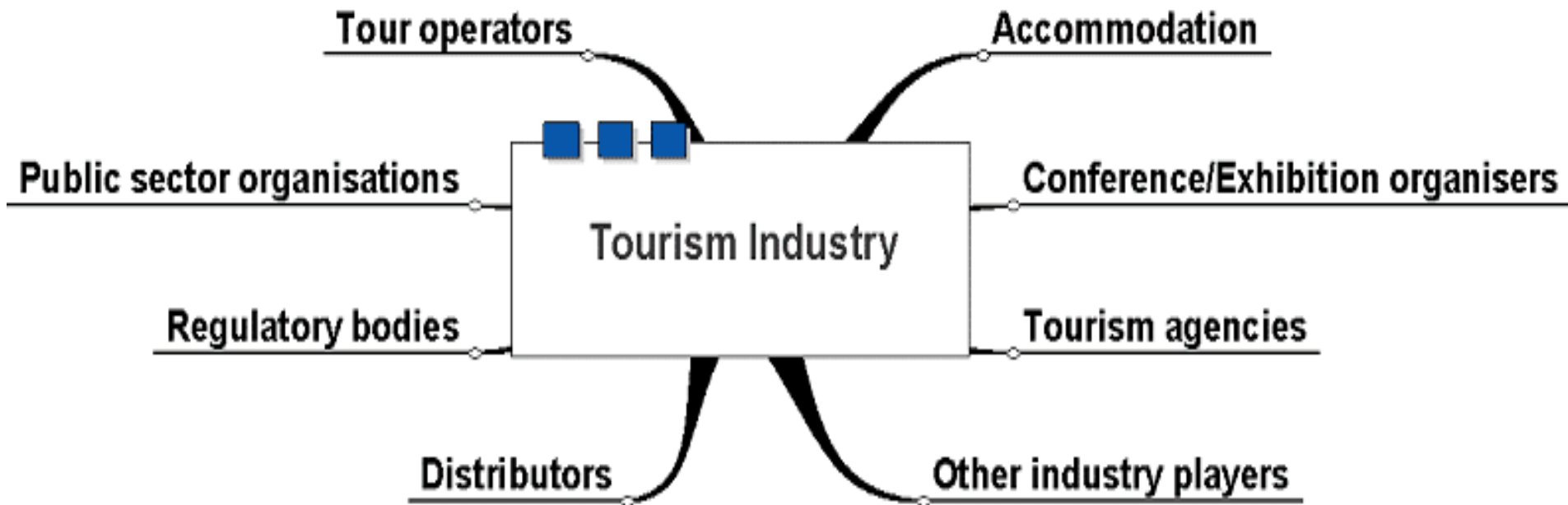
Other Industry Players



Insurance firms and car hire companies:

- Insurers provide cover for goods, services and people
- Car hire providers meeting onward travel needs of business and leisure customers

Tourism Industry



Accommodation, Tour Operators & Distributors



Providing the ‘nuts and bolts’ of the industry:

- Hotels, villas, apartments, B&B, camping parks
- Packages of travel tours to popular locations
- Selling the travel product/service to individual and business consumers

Tour Operators



Four dominant firms

- TUI (Thomson)
- First Choice
- MyTravel
- Thomas Cook



All vertically integrated, operating at more than one level in market

Tour Distributors



Usually includes business and leisure travel agents:

- Some large and well-known
- Some small and independent
- Others in niche parts of market

Can you think of examples of each?

Tourism Agencies



Tourist boards and offices:

- Promoting Britain to overseas customers (Visit Britain)
- Promoting regions of overseas and domestic customers
- Providing information to customers (Tourist Information Centres)

Conference/Exhibition Organisers



- The importance of location
- Value and service at venues
- The role of sponsorship
- Customer care

Regulatory Bodies



- Consortium of Independent Tour Operators
- Federation of Tour Operators
- People1st (Skills Council for Tourism, Hospitality and Leisure)
- Regional Development Agencies (RDAs)

Public Sector Organisations



- DCMS
- Regional Development Agencies
- FCO
- English Heritage

Other Industry Players



- The Tourism Alliance represents industry views to the government
- Other firms in industry, such as insurance companies and car hire firms

Importance's of Tourism Business

- Integrate between tourist or buyer and suppliers
- Assist suppliers to meet buyer
- Facilitate tourist to make a decision, bargain price and save expenses
- Assist tourist travel to new tourist attraction

Importance of Tourism Business



- Motivate people traveling more because convenience
- Intermediary to sell the tourism product
- Generate income to supplier and country
- Facilitate to tourist if they are in limited time
- Create job, employment and develop facilities in the country

Has anyone used a service from tour company?



Definition of Tour business

• Tour Business / Travel Business

"Business tourism is the provision of facilities and services to the millions of delegates who annually attend meetings, congresses, exhibitions, business events, incentive travel and corporate hospitality since starting point to destination as customer requirement".

- Similar to other business “ Producer → seller - > buyer

Characteristic of tour business

- Prepaid – Customer or tourist paid the service product before using a service
- Prearrange – Tour package or program such as transportation, accommodation, tourist attraction, and food have already prepared and tourist can use those service immediately on the day.



So;

- Tour business should focus on reliability from customer to the company
- To meet customer satisfaction
- Therefore selling tour is like selling dream for customer happiness



Element of Tour service

- Physical Element- can be touched such as room, food, facility services
- Mental Element – Satisfy reaction or mental need such as local culture from tourist attraction/ world heritage / local people life

Tour business include with;



1) Tour Wholesaler / Tour Operator

A tour operator is a business that buy tourism product from tourism supplier then combines tour and travel components to create a holiday. They prepare itinerary. The most common example of a tour operator's product would be a flight on a charter airline plus a transfer from the airport to a hotel and the services of a local representative, plus profit and get all for one price as a selling price.

2 Travel agent



is a private retailer or public service that provides travel and tourism related services to the public on behalf of suppliers such as airlines, car rentals, cruise lines, hotels, railways, and package tours. In addition to dealing with ordinary tourists most travel agencies have a separate department devoted to making travel arrangements for business travelers and some travel agencies specialize in commercial and business travel only. There are also travel agencies that serve as general sales agents for foreign travel companies, allowing them to have offices in countries other than where their headquarters are located.

Difference between tour operator and Travel Agent



Tour Operator	Travel Agent
It's a wholesaler	It works as a retailer and sells package tours on behalf of the wholesaler
Amend the tour itinerary and program	It is an intermediary between tour operator and tourists
Allocated in the mega cities	It acts as a local agent to confirm and reconfirm the services
Delightful and value added tour itinerary	Sightseeing tours and excursion tours, airport arrival and departure transfer, check in and check out time in the hotel
Generating new ideas and attractions in the package	Term and conditions for commission with principle suppliers
No direct contact with customer	Direct contact with customer



Thank you for attentions